

## DRB-Hicom Bhd

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### Automotive segment to drive recovery prospects

- Regarded as a diversified conglomerate with core businesses in six sectors, namely automotive, aerospace and defence, postal, banking, properties and services.
- Aims to beef up their export program till 2023 to Africa, South Asia and Southeast Asia region.
- Higher sales from automotive segment that is driven by the high backlog orders and introduction of new models will continue to bolster the group performance.
- Technically, traders may anticipate for a potential flag-formation breakout above RM1.59 to target the next resistances at RM1.70-1.75, with long term target at RM1.86.

#### DRBHCOM daily: Anticipating flag-formation breakout



M+ Wiz

#### DRB-HICOM BHD

Last Price (RM)	1.59
5 Day Change (%)	12.1
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	75.0
52Week Range Percentile (%)	80.0
Volatility 30D	62.4
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	10.4
DMI DI+	34.6
DMI DI-	7.7
ADX	49.8
Price Skew	DOWN
RSI 14D	71.1
RSI OB/OS	Overbought
Price vs. Bollinger Band (%)	86.7

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### Trading Catalyst

- DRB-HiCom Bhd (DRBHCOM) is regarded as a diversified conglomerate with core businesses in six sectors, namely automotive, aerospace and defence, postal, banking, properties and services. DRBHCOM has 82 operating subsidiaries and associates, supported by a strong approximately 46,000 workforces.
- Moving forward, DRBHCOM aims to beef up their export program till 2023 to Africa, South Asia and Southeast Asia region. Meanwhile, the defence segment will be delivering the remainder of 22 units of AV-8 until end-2022.
- After returning to the black in their latest quarterly results, we reckon that the higher sales from its automotive segment that is driven by the high backlog orders and introduction of new models will continue to bolster the group overall top and bottomline over the foreseeable future. In the first 7 months of 2022, the total industry volume at 380,595 represents 48.3% YoY improvement.

#### Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	12378.1	13576.1	14389.9
Net profit (RM m)	-272.8	174.7	218.3
Shares (m)	1933.2	1933.2	1933.2
EPS (sen)	-14.1	9.0	11.3
DPS (sen)	2.0	2.0	2.7
P/E (x)	-	17.5	14.0
DY (%)	1.3	1.3	1.7

Bloomberg

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## Technical Outlook

- Technically, share price appears to have found some stability in mid-June 2022. Since then, price has been trending higher and rose above the SMA200 level. For now, traders may anticipate for a potential flag-formation breakout above RM1.59 to target the next resistances at RM1.70-1.75, with long term target at RM1.86. Support is pegged at around RM1.48, while cut loss is set at RM1.47.

### Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: $\frac{[(\text{Last Trade} - \text{Closing Price Five Days Ago}) / \text{Closing Price Five Days Ago}] \times 100}{1}$
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage